

Message Text

UNCLASSIFIED

PAGE 01 CARACA 01791 232136Z

ACTION COME-00

INFO OCT-01 ARA-14 EB-08 ISO-00 MMO-04 ABF-01 SP-02

SS-15 PER-05 /050 W

-----006138 240653Z /10

R 231934Z FEB 78

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 1292

UNCLAS CARACAS 1791

E.O. 11652: N/A

TAGS: BEXP, VE

SUBJ: UNDERSECRETARIAL TASK FORCE, U.S. FOOTWEAR

REF: STATE 043952

1. VENEZUELA'S CURRENT AND FUTURE POTENTIAL AS A MARKET FOR US EXPORTS OF FOOTWEAR IS MINIMAL. IN 1976 US FOOTWEAR EXPORTS TO VENEZUELA WERE LESS THAN \$500,000, OUT OF TOTAL US EXPORTS TO VENEZUELA OF 2.6BILLION DOLLARS. VENEZUELAN FOOTWEAR IMPORTS IN 1975 (LAST YEAR FOR WHICH STATISTICS AVAILABLE) TOTALED \$2MILLION.
2. VENEZUELA'S FOOTWEAR INDUSTRY IS HEAVILY PROTECTED BY IMPORT DUTIES BETWEEN 140-150 PERCENT AD VALOREM, C.I.F. THIS IS AN EXCEPTIONALLY HIGH RATE, EVEN FOR THIS PTOTECTIONIST MARKET.
3. BASED ON INFORMATION AVAILABLE TO US, EMBASSY BELIEVES THAT BULK OF US FOOTWEAR EXPORTS TO VENEZUELA ARE HANDLED THROUGH MARGARITA ISLAND FREE PORT SHOPS. THIS IS A THIN AND FRAGMENTED MARKET, IN WHICH ONLY A VERY MINOR PERCENTAGE (AND NUMBER) OF VENEZUELAN BUYERS CAN BE EXPECTED TO PARTICIPATE. NOW, OR FOR THE FORESEEABLE FUTURE, PROMOTIONAL EFFORT IS NOT LIKELY TO ENABLE US FOOTWEAR EXPORTERS TO INCREASE THEIR SALES TO VENEZUELA.
4. THE WEEK OF MARCH 13TH, A LOCAL NEWSPAPER REPORTED THAT TGE GOV WOULD ACT TO PROHIBIT OR SEVERLEY RESTRICT THE IMPORTATION

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 CARACA 01791 232136Z

OF LEATHER GOODS AND TEXTILE ITEMS, AS A FURTHER STEP TO CONTROL VENEZUELA'S INCIPIENT BALANCE OF TRAD DEFICIT.

5. UNDER THESE CIRCUMSTANCES, EMBASSY BELIEVES THAT MARKET RESEARCH REQUESTED IN REFTEL IS NOT JUSTIFIED, AND REQUESTS DEPARTMENT'S CONCURRENCE IN ELININATING CARACAS AS AN ACTION POST.

6. IF, NOTWITHSTANDING THE EMBASSY'S RECOMMENDATION, WASHINGTON AGENCIES INSIST ON THE MARKET RESEARCH AS OUTLINED REFTEL, POST WOULD NOT BE ABLE TO COMPLETE STUDY PRIOR TO END OF APRIL FOR FOLLOWING REASONS:

A. OFFICER IN CHARGE OF MARKET RESEARCH ACTIVITIES HAS BEEN ABRUPTLY AND UNEXPECTEDLY SCHEDULED FOR TRANSFER WITH NO REPLACEMENT IN SIGHT.

B. POST HAS RECEIVED SINCE FIRST OF YEAR FOUR REQUESTS FOR CONTRACT MARKET RESEARCH, TWO NOW IN PREPARATION AND TWO OUT FOR BIDS. IN ADDITION, POST IS PREPARING IN-HOUSE ON URGENT BASIS RESEARCH ON REFINERY EQUIPMENT FOR JANUARY 1979 EXHIBITION.

C. WITH PRESIDENT CARTER'S VISIT TO VENEZUELA NOW SCHEDULED FOR LATE MARCH, POST WILL BE HEAVILY INVOLVED IN SUPPORT ACTIVITIES ARISING THEREFROM.
VAKY

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 23 feb 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978CARACA01791
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780085-0865
Format: TEL
From: CARACAS
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780224/aaaaattx.tel
Line Count: 81
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 486a9ed1-c288-dd11-92da-001cc4696bcc
Office: ACTION COME
Original Classification: UNCLASSIFIED
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: ONLY
Reference: 78 STATE 43952
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3510211
Secure: OPEN
Status: NATIVE
Subject: UNDERSECRETARIAL TASK FORCE, U.S. FOOTWEAR
TAGS: BEXP, VE
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/486a9ed1-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014